

**Jonathan M. Radmacher, OSB No. 924314**

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Of Attorneys for Plaintiff

UNITED STATES DISTRICT COURT

DISTRICT OF OREGON

PORTLAND DIVISION

**TECHNICAL SECURITY INTEGRATION,  
INC.,** a Washington corporation,

Plaintiff,

v.

**PHILADELPHIA INDEMNITY INSURANCE  
COMPANY,** a Pennsylvania corporation,

Defendants.

Civil No. 3:14-CV-01895-SB

**DECLARATION OF  
JONATHAN RADMACHER IN  
SUPPORT OF PLAINTIFF'S  
MOTION FOR SUMMARY  
JUDGMENT**

I, Jonathan Radmacher, declare personal knowledge of the following facts and if called to testify as a witness, would state the following:

1. I am one of the attorneys for Plaintiff, Technical Security Integration ("TSI") in the above-captioned case.
2. Attached hereto as Exhibit 101 are the first and fifth pages of Judge Mosman's written ruling in *Technical Security Integration, Inc. v. S&S Electrical Contractors, LLC, and Corey Tharp*, USDC Case No. 3:13-cv-00636-MO ("the Underlying Case").
3. Attached hereto as Exhibit 102 are the first several pages of the joint designation of deposition testimony of John Katnic, submitted as evidence at trial in the Underlying Case.

**DECLARATION OF JONATHAN RADMACHER  
IN SUPPORT OF PLAINTIFF'S MOTION  
FOR SUMMARY JUDGMENT**

PAGE 1

CASE NO. 3:14-CV-01895-SB

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4. Attached hereto as Exhibit 103 is a copy of the Satisfaction of Judgment entered in the Underlying Case, after Plaintiff paid the \$57,271.22 judgment entered against it.

I HEREBY DECLARE THAT THE ABOVE STATEMENT IS TRUE TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT I UNDERSTAND IT IS MADE FOR THE USE AS EVIDENCE IN COURT AND IS SUBJECT TO PENALTY FOR PERJURY.

DATED this 25<sup>th</sup> day of June, 2018.

  
s/ *Jonathan M. Radmacher*  
Jonathan M. Radmacher

**CERTIFICATE OF SERVICE**

I hereby certify that on June 25, 2018, I served the foregoing **DECLARATION OF JONATHAN RADMACHER IN SUPPORT OF PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT** on the persons listed below by the methods indicated below.

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Of Attorneys for Defendant

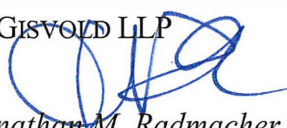
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☐ Facsimile  
☐ Hand Delivery  
☐ E-mail  
☒ ECF

Of Attorneys for Defendant

Dated: June 25, 2018

McEWEN GISVOLD LLP

By:  s/ Jonathan M. Radmacher  
Jonathan M. Radmacher, OSB No. 924314  
Of Attorneys for Plaintiff

CERTIFICATE OF SERVICE  
3:14-CV-01895-SB

U:\13022\13022-003\UMR Declaration re MSJ.wpd

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IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF OREGON  
PORTLAND DIVISION

**TECHNICAL SECURITY  
INTEGRATION, INC.,**

Plaintiffs,

v.

**S & S ELECTRICAL CONTRACTORS,  
LLC, and COREY THARP,**

Defendants.

**MOSMAN, J.,**

No. 3:13-cv-00636-MO

OPINION AND ORDER

Defendants S & S Electrical Contractors, LLC (“S&S”), and Corey Tharp move [64] for summary judgment on each of the claims in Plaintiff Technical Security Integration, Inc.’s (“TSI”) Amended Complaint [46], as well as on their own five counterclaims. For its part, TSI moved [69] for summary judgment on Defendants’ counterclaims and on its own claim for conversion. On April 25, 2014, I heard oral argument on the parties’ motions. The following brief opinion sets out my rulings.

However, a reasonable jury might also conclude that Mr. Tharp suffered no actual damages, making summary judgment inappropriate. Presumed damages are available only in actions for defamation per se, not in contract actions. Finally, concerning the fifth counterclaim, a reasonable jury could conclude that Mr. Swankosky made defamatory statements to Mr. Katnic of Synectics. However, because Mr. Swankosky denies making any statements at all to Mr. Katnic, a genuine dispute of material fact exists.

## **II. Plaintiff's Motion for Partial Summary Judgment**

Because Defendants' motion for summary judgment as to Plaintiff's conversion claim is granted, Plaintiff's motion for judgment in its favor is DENIED.

Plaintiff's motion is GRANTED as to Defendants' first counterclaim. Mr. Swankosky's statements to Mr. Bobb and Mr. Howerton concerning issues with Mr. Tharp's performance were made in the interest of defending TSI's decision to terminate Mr. Tharp, and therefore are privileged. Further, no reasonable jury could conclude either that these statements lacked a reasonable basis in fact or that they were more defamatory than reasonably necessary.

Plaintiff's motion is DENIED as to Defendants' remaining counterclaims. Concerning the second, a reasonable jury might find that Mr. Swankosky's statements about Mr. Tharp's possible involvement in a theft of TSI equipment cast Mr. Tharp in a more suspicious light than reasonably necessary to defend TSI's decision to terminate him. As to the third, the record also permits a reasonable inference that Mr. Swankosky should have known that Mr. Bobb or Mr. Howerton would republish Mr. Swankosky's statements to Mr. Bossley. Regarding the fourth, a reasonable jury could find that Mr. Swankosky's statements violated the nondisparagement provision of Mr. Tharp's severance agreement, entitling Mr. Tharp at least to nominal damages. (*See* Am. Compl. Ex. 2 [46-2] at 2.) Fifth and finally, Mr. Swankosky's statements to Mr.

The Deposition Of:  
**John Katnic**

**Date:** November 26, 2013

Technical Security Integration, Inc. v. S&S  
Electrical Contractors, LLC; and Corey Tharp

Taken On Behalf Of The Defendants



**S Y N E R G Y**  
**LEGAL**

LITIGATION SUPPORT SERVICES

John Katnic

1 (Pages 1 to 4)

Page 1	Page 3
<p>1 IN THE UNITED STATES DISTRICT COURT</p> <p>2 FOR THE DISTRICT OF OREGON</p> <p>3 Portland Division</p> <p>4</p> <p>5 TECHNICAL SECURITY</p> <p>6 INTEGRATION, INC., a</p> <p>7 Washington corporation,</p> <p>8 Plaintiff,</p> <p>9 vs. No. 1303-04600</p> <p>10 S&amp;S ELECTRICAL CONTRACTORS,</p> <p>11 LLC, an Oregon limited</p> <p>12 liability company; and COREY</p> <p>13 THARP,</p> <p>14 Defendants.</p> <p>15</p> <p>16</p> <p>17 VIDEOCONFERENCE DEPOSITION OF JOHN KATNIC</p> <p>18 Taken on behalf of the Defendants</p> <p>19 November 26, 2013</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>1 APPEARANCES</p> <p>2</p> <p>3 Appearing on behalf of the Plaintiff:</p> <p>4 MS. KIMBERLY SUGAWA-FUJINAGA</p> <p>5 McEWEN GISVOLD</p> <p>6 1100 SW Sixth Avenue, Suite 1600</p> <p>7 Portland, Oregon 97204</p> <p>8 Phone 503-226-7321</p> <p>9 Fax 503-243-2686</p> <p>10 kims@mcewengisvold.com</p> <p>11</p> <p>12 Appearing on behalf of the Defendants:</p> <p>13 MS. JUDY SYNDER</p> <p>14 LAW OFFICES OF JUDY SNYDER</p> <p>15 1000 SW Broadway, Suite 2400</p> <p>16 Portland, Oregon 97205</p> <p>17 Phone 503-228-5027</p> <p>18 Fax 503-241-2249</p> <p>19 judy@jdsnyder.com</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>
Page 2	Page 4
<p>1 BE IT REMEMBERED THAT pursuant to the Federal</p> <p>2 Rules of Civil Procedure, the videoconference</p> <p>3 deposition of JOHN KATNIC was taken before Pamela</p> <p>4 Beeson Frazier, a Certified Shorthand Reporter for</p> <p>5 the State of Oregon, on Tuesday, November 26, 2013,</p> <p>6 commencing at the hour of 2:05 p.m.; the proceedings</p> <p>7 being reported in the offices of Synergy Legal</p> <p>8 Services, 1235 SE Morrison Street, 2nd Floor,</p> <p>9 Portland, Oregon.</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>1 APPEARANCES (Continued)</p> <p>2</p> <p>3 Appearing on behalf of the witness:</p> <p>4 MR. JOSEPH D. ABKIN</p> <p>5 (Appearing by videoconference)</p> <p>6 FELL, MARKING ABKIN MONTGOMERY GRANET &amp; RANEY</p> <p>7 222 E. Canillo Street, Suite 400</p> <p>8 Santa Barbara, California 93101</p> <p>9 Phone 805-963-0755</p> <p>10 Fax 805-965-7237</p> <p>11 jabkin@finam.com</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>



John Katnic

2 (Pages 5 to 8)

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1

EXAMINATION INDEX

2

EXAMINATION BY: PAGE NO.

3

Ms. Snyder 7

4

Ms. Sugawa-Fujinaga 26

5

Ms. Snyder 70

6

Ms. Sugawa-Fujinaga 82

7

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9

10

EXHIBIT INDEX

11

EXHIBIT NO. DESCRIPTION PAGE NO.

12

Ex No. 103 Email chain, the top one 29

13

dated 7/4/12, to Tharp from

14

Katnic re: SMC quote.

15

Ex No. 104 Email chain, the top one 34

16

dated 7/5/12, to Tharp from

17

Heisler re: 3Rivers and SMC

18

Warranty Extension Quotes.

19

Ex No. 105 1/30/13 email to Swankosky 45

20

from Katnic re: Friday

21

meeting.

22

Ex No. 107 Email chain, the top one 55

23

dated 3/1/13 to Swankosky

24

from Katnic re: TSI/Synectics

25

moving forward.

Page 6

1

EXHIBIT INDEX (Continued)

2

EXHIBIT NO. DESCRIPTION PAGE NO.

3

Ex No. 109 Declaration of John Katnic. 57

4

5

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NOTE: Exhibits 106 and 108 are not

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marked.

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Page 7

1

PORTLAND, OREGON, WEDNESDAY, SEPTEMBER 4, 2013

2

9:25 A.M.

3

4

JOHN KATNIC,

5

having first been duly sworn, was examined and

6

testified as follows:

7

8

EXAMINATION

9

BY MS. SNYDER:

10

Q. Mr. Katnic, first of all, for the

11

record, would you please state your full name?

12

A. John Michael Katnic.

13

Q. And spell your last name?

14

A. K-A-T-N-I-C.

15

Q. You've been subpoenaed today to provide

16

this deposition in a case that's been filed in the

17

US District Court for the District of Oregon known

18

as Technical Security Integration, Inc. versus S&S

19

Electrical Contractors, LLC and Corey Tharp,

20

defendants. I'm Judy Snyder. I represent S&S

21

Electrical Contractors and Corey Tharp.

22

First of all, for the record, would you

23

establish for us where you are currently located.

24

A. We are at 411 East Canon Perdido Street

25

in Santa Barbara, California, 93101. Excuse me, 21.

Page 8

1

Q. Thank you. And you are currently

2

employed by what company, sir?

3

A. Synectics Systems, Inc.

4

Q. What is your position with the company?

5

A. Vice-president of global gaming and

6

chief operating officer.

7

Q. Where is your office located?

8

A. 4180 Via Real, Suite A, Carpinteria,

9

California, 93013.

10

Q. And are you also a resident in that area

11

of California?

12

A. Yes.

13

Q. What is the nature of the business

14

Synectics is engaged in?

15

A. We manufacture digital recording systems

16

for surveillance applications, primarily in casinos

17

in North America, elsewhere around the world in oil

18

refineries, transportation applications, banking,

19

and so on.

20

Q. And as a result of the work that

21

Synectics performs in the security arena, has

22

Synectics done business in the past with Technical

23

Securities -- excuse me -- Technical Security

24

Integration, Inc., TSI?

25

A. Yes.



John Katnic

3 (Pages 9 to 12)

<p style="text-align: right;">Page 9</p> <p>1 <u>Q. For what period of time, to your</u>  2 <u>knowledge, has Synectics been doing business for</u>  3 <u>TSI?</u>  4 <u>A. I'm going to estimate six years, give or</u>  5 <u>take.</u>  6 <u>Q. And as a result of the work that</u>  7 <u>Synectics has done with TSI, did you become</u>  8 <u>acquainted with Corey Tharp?</u>  9 <u>A. Yes.</u>  10 <u>Q. Did you know Mr. Tharp before he went to</u>  11 <u>work at TSI?</u>  12 <u>A. No.</u>  13 <u>Q. So you didn't know him as a result of</u>  14 <u>any of the work he had done in casinos or with other</u>  15 <u>entities?</u>  16 <u>A. No.</u>  17 <u>Q. In February of this year, February of</u>  18 <u>2013, did you attend the World Gaming Protection</u>  19 <u>Conference in Las Vegas, Nevada?</u>  20 <u>A. Yes.</u>  21 <u>Q. Were you there as a Synectics</u>  22 <u>representative?</u>  23 <u>A. Yes.</u>  24 <u>Q. Do you recall the dates that you</u>  25 <u>attended that conference?</u></p>	<p style="text-align: right;">Page 11</p> <p>1 <u>Q. Did you learn that Mr. Tharp was no</u>  2 <u>longer working for TSI?</u>  3 <u>A. I learned that prior to the show. But I</u>  4 <u>was aware of that, yes.</u>  5 <u>Q. So you were aware that Mr. Tharp was no</u>  6 <u>longer working for TSI when you saw him down at the</u>  7 <u>World Game Protection Conference in Las Vegas?</u>  8 <u>A. That's correct.</u>  9 <u>Q. Mr. Katnic, while you were at that</u>  10 <u>conference, did Craig Swankosky talk to you about</u>  11 <u>Corey Tharp?</u>  12 <u>A. Yes.</u>  13 <u>Q. Did he initiate that contact about</u>  14 <u>Mr. Tharp, or did you ask him questions about</u>  15 <u>Mr. Tharp?</u>  16 <u>A. He initiated it.</u>  17 <u>Q. What did Mr. Swankosky, Craig Swankosky,</u>  18 <u>tell you about Corey Tharp?</u>  19 <u>A. I don't recall exactly how he led into</u>  20 <u>the conversation, but it moved on to comments about</u>  21 <u>Corey. Specifically: You should stay away from</u>  22 <u>him, he's under investigation by the Oregon Gaming</u>  23 <u>Authority for theft and other serious infractions,</u>  24 <u>and he'll never get a license in that state again.</u>  25 <u>So watch out for him. That was the gist of it.</u></p>
<p style="text-align: right;">Page 10</p> <p>1 <u>A. I arrived on the 24th and left on the</u>  2 <u>28th, and the conference hours were on the 26th and</u>  3 <u>27th.</u>  4 <u>Q. While you were in --</u>  5 <u>A. The exhibit hours -- there may have been</u>  6 <u>conferences before that. But the exhibit, which is</u>  7 <u>what I was attending, was the 26th and 27th.</u>  8 <u>Q. While you were at the Las Vegas</u>  9 <u>conference, did you see Craig Swankosky of TSI?</u>  10 <u>A. Yes.</u>  11 <u>Q. On how many occasions did you have</u>  12 <u>contact with Mr. Swankosky while at the gaming</u>  13 <u>conference?</u>  14 <u>A. A handful of times. We were exhibiting</u>  15 <u>opposite one another across a small conference room,</u>  16 <u>so we crossed paths a couple of times throughout the</u>  17 <u>show.</u>  18 <u>Q. And also, did you see Corey Tharp at</u>  19 <u>that show?</u>  20 <u>A. Yes.</u>  21 <u>Q. Now, at that point in time did you know</u>  22 <u>that Mr. Swankosky was the president of TSI?</u>  23 <u>A. Yes.</u>  24 <u>Q. Did you know he was an owner of TSI?</u>  25 <u>A. Yes.</u></p>	<p style="text-align: right;">Page 12</p> <p>1 <u>Q. Where did this conversation occur?</u>  2 <u>A. In the aisleway out in front of my</u>  3 <u>booth.</u>  4 <u>Q. During the conference itself?</u>  5 <u>A. During exhibit -- the way it works is</u>  6 <u>there's exhibit floor hours and then there are</u>  7 <u>conferences where the attendees go into, and they</u>  8 <u>break and come out into the exhibit hall. And this</u>  9 <u>happened during one of the breaks.</u>  10 <u>Q. So was it during the time when attendees</u>  11 <u>at the conference were milling around the exhibit</u>  12 <u>hall?</u>  13 <u>A. There were some, but most were in the</u>  14 <u>conference.</u>  15 <u>Q. Mr. Katnic, was anyone else who you know</u>  16 <u>within hearing distance of Mr. Swankosky when he</u>  17 <u>made these statements?</u>  18 <u>A. Not that I recall.</u>  19 <u>Q. So when Craig Swankosky advised you that</u>  20 <u>Mr. Tharp was under investigation by the Oregon</u>  21 <u>Gaming Commission for theft, did he tell you what</u>  22 <u>Mr. Tharp was accused of stealing?</u>  23 <u>A. I don't believe so. I don't recall</u>  24 <u>that.</u>  25 <u>Q. At any time during that conversation did</u></p>

John Katnic

4 (Pages 13 to 16)

Page 13	Page 15
<p>1 <u>Mr. Swankosky tell you that Mr. Tharp had stolen</u>  2 <u>some equipment?</u>  3 <u>A. I had -- I heard, and I don't recall if</u>  4 <u>it was during that conversation or another; but yes,</u>  5 <u>that he had stolen some equipment -- something to</u>  6 <u>the effect of he had stolen something from TSI after</u>  7 <u>leaving or something. I don't recall if it was that</u>  8 <u>day or at a different time, but I recall that being</u>  9 <u>said.</u>  10 <u>Q. As a point of clarification, Mr. Katnic,</u>  11 <u>did you have more than one conversation with Craig</u>  12 <u>Swankosky in which he made a representation that</u>  13 <u>Mr. Tharp was under investigation for theft?</u>  14 <u>A. Yes.</u>  15 <u>Q. And I appreciate what you're telling me</u>  16 <u>is that you're having some difficulty saying</u>  17 <u>specifically whether it was this conversation in the</u>  18 <u>exhibit hall in which Mr. Craig Swankosky</u>  19 <u>specifically identified that it was equipment. Is</u>  20 <u>that correct?</u>  21 <u>A. Correct.</u>  22 <u>Q. Okay. When you were talking with Craig</u>  23 <u>Swankosky in the exhibit hall, this discussion we</u>  24 <u>were just talking about, you made a statement that</u>  25 <u>Mr. Tharp -- you were told Mr. Tharp was under</u></p>	<p>1 <u>is being investigated and will not get a license, I</u>  2 <u>assumed since we were at a gaming show and we all</u>  3 <u>sell gaming, that it was related to a gaming</u>  4 <u>license.</u>  5 <u>Q. Fair enough. You also indicated that</u>  6 <u>Mr. Craig Swankosky made a statement to you about</u>  7 <u>watching yourself in connection with Mr. Tharp. Did</u>  8 <u>I misinterpret that?</u>  9 <u>A. No. Just watch out for him, as in watch</u>  10 <u>out, be careful about doing business with him. It's</u>  11 <u>my belief that he was -- either suspected that Corev</u>  12 <u>and Synectics might do business together or had</u>  13 <u>heard we had talked or whatever.</u>  14 <u>But my -- the feeling I got was, watch</u>  15 <u>out, don't do work with that guy, it could reflect</u>  16 <u>poorly on you. That was the feeling I got from it.</u>  17 <u>Q. Mr. Katnic, when Craig Swankosky spoke</u>  18 <u>with you at the World Gaming Protection Conference</u>  19 <u>in late February, as you just described, had you</u>  20 <u>already had some discussions with Corey Tharp about</u>  21 <u>possibly doing business with Mr. Tharp or the</u>  22 <u>company he was working for?</u>  23 <u>A. Yes.</u>  24 <u>Q. When did those discussions occur?</u>  25 <u>A. We probably had our first discussions</u></p>
Page 14	Page 16
<p>1 <u>investigation for theft and other serious</u>  2 <u>infractions. By "serious infractions," were you</u>  3 <u>given any information by Craig Swankosky as to what</u>  4 <u>those infractions were?</u>  5 <u>A. No. And I'm not even sure he said the</u>  6 <u>word "infractions." It was just implied that he was</u>  7 <u>being investigated for some serious things. I don't</u>  8 <u>know if the word "infractions" was used. That was</u>  9 <u>my word.</u>  10 <u>Q. I appreciate the clarification. Thank</u>  11 <u>you.</u>  12 <u>Based upon what Craig Swankosky told you</u>  13 <u>in that conversation about Mr. Tharp being under</u>  14 <u>investigation for theft, did you interpret that to</u>  15 <u>mean he was being under investigation for having</u>  16 <u>committed a crime?</u>  17 <u>A. Yes.</u>  18 <u>Q. And when Craig Swankosky told you that</u>  19 <u>Mr. Tharp would never get a license, what type of a</u>  20 <u>license did you believe he was referring to?</u>  21 <u>A. A license to work in gaming facilities.</u>  22 <u>Q. And what did you base that belief on?</u>  23 <u>A. Because that's what we all have in</u>  24 <u>common. We're all selling to casinos, and you have</u>  25 <u>to have a license to work in a casino. And if one</u></p>	<p>1 <u>sometime in mid-December, maybe -- yeah,</u>  2 <u>mid-December is my best recollection --</u>  3 <u>Q. And --</u>  4 <u>A. -- of 2012.</u>  5 <u>Q. And as of the date of the gaming</u>  6 <u>commission event in Las Vegas, did Mr. Tharp or S&amp;S</u>  7 <u>have a formal business relationship established with</u>  8 <u>Synectics?</u>  9 <u>A. We had discussed making them a reseller.</u>  10 <u>They completed a reseller application. We had a</u>  11 <u>provisional working agreement to provide warranty</u>  12 <u>service, and there was a potential and intention to</u>  13 <u>expand that to a full reseller relationship if and</u>  14 <u>when S&amp;S was able to get licensed.</u>  15 <u>Q. The information that Craig Swankosky</u>  16 <u>gave you during the gaming commission meeting, did</u>  17 <u>that cause you to be concerned about doing business</u>  18 <u>with Mr. Tharp or with S&amp;S, his employer?</u>  19 <u>A. Yes.</u>  20 <u>Q. What did you do with the -- as a result</u>  21 <u>of the information Craig Swankosky gave you at the</u>  22 <u>gaming commission meeting?</u>  23 <u>A. The -- there was a customer, an end-user</u>  24 <u>casino, who had expressed interest in working with</u>  25 <u>Corev back in December. That's Spirit Mountain</u></p>



John Katnic

5 (Pages 17 to 20)

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<p>1 <u>Casino. Steve Bobb. Tracey Howerton. Steve Bobb was</u>  2 <u>at that show.</u>  3 <u>And because this information could</u>  4 <u>jeopardize our ability to work with Corey and his</u>  5 <u>new company. I approached Steve Bobb later at the</u>  6 <u>show, asked him if he had heard any rumors about</u>  7 <u>Corey and an investigation.</u>  8 <u>And he said that he -- at that point he</u>  9 <u>had heard the same thing from Craig Swankosky and</u>  10 <u>that he was investigating it for himself.</u>  11 <u>Q. Did Mr. Bobb tell you what he was doing?</u>  12 <u>A. He indicated that because of his</u>  13 <u>relationship with the Oregon Gaming Commission and</u>  14 <u>various police and entities that he was going to</u>  15 <u>check out if, in fact, Corey was under investigation</u>  16 <u>or suspicion or if anything had been filed. So he</u>  17 <u>was going to check his sources and find out for</u>  18 <u>himself.</u>  19 <u>Q. And did Mr. Bobb ever advise you what he</u>  20 <u>had learned?</u>  21 <u>A. Yes. He came back just a few hours</u>  22 <u>later and said that he had spoken with contacts</u>  23 <u>inside the -- I believe he said the Florence police</u>  24 <u>or something. I don't know exactly what entity.</u>  25 <u>But basically he had gone and spoken to</u></p>	<p>1 <u>Q. Did you tell Mr. Tharp that Steve Bobb</u>  2 <u>had also heard the same things from Craig Swankosky?</u>  3 <u>A. I don't recall if I told him that or he</u>  4 <u>told me that. I'm not sure. I don't recall who</u>  5 <u>came first. I -- we all eventually knew that day</u>  6 <u>that all had heard it, but I'm not sure if Corey</u>  7 <u>heard it from Steve first or from me first. I don't</u>  8 <u>recall.</u>  9 <u>Q. And was there ever an occasion when you</u>  10 <u>spoke with Tracey Howerton about whether he had</u>  11 <u>heard similar statements from Craig Swankosky?</u>  12 <u>A. I don't believe I spoke to Tracey.</u>  13 <u>Tracey is junior to Steve, and my relationship is</u>  14 <u>more with Steve, so I communicated at that level. I</u>  15 <u>don't recall having a specific conversation with</u>  16 <u>Tracey about it.</u>  17 <u>Q. Mr. Katnic, then I want to take you back</u>  18 <u>to what you said earlier in your deposition. We</u>  19 <u>were talking about this conversation you had with</u>  20 <u>Craig Swankosky in the exhibit hall when</u>  21 <u>Mr. Swankosky first made the statements about</u>  22 <u>Mr. Tharp allegedly being under investigation for</u>  23 <u>theft and that he'd never get a license.</u>  24 <u>You told me that you had other</u>  25 <u>conversations with Mr. Swankosky about that topic.</u></p>
Page 18	Page 20
<p>1 <u>a regulatory or police entity who absolutely refuted</u>  2 <u>that any claims had been filed or whether Corey was</u>  3 <u>under investigation for anything that -- he was</u>  4 <u>unable to find any such complaint.</u>  5 <u>Q. And while you were at the Las Vegas</u>  6 <u>show, did you approach Corey Tharp to discuss with</u>  7 <u>him these acquisitions?</u>  8 <u>A. I did. After speaking to Steve Bobb, I</u>  9 <u>had alerted Corey that I had gotten -- heard some</u>  10 <u>things that weren't too flattering or sounded a</u>  11 <u>little scary and that he should check it out. And</u>  12 <u>so I presume he did, and I presume that's how you</u>  13 <u>guys knew I'd had this conversation.</u>  14 <u>Q. Let me back up then a little bit and go</u>  15 <u>over that discussion you had with Corey Tharp. At</u>  16 <u>the show when you told Mr. Tharp that you had heard</u>  17 <u>things which were not too flattering about him, did</u>  18 <u>you tell him that the statements were coming from</u>  19 <u>Craig Swankosky?</u>  20 <u>A. I believe I did.</u>  21 <u>Q. And did you tell him what Mr. Swankosky</u>  22 <u>was saying about Corey, specifically that he was</u>  23 <u>under investigation for theft and those types of</u>  24 <u>statements?</u>  25 <u>A. Yes.</u></p>	<p>1 <u>When did those conversations occur?</u>  2 <u>A. I was invited to a meeting in Ventura</u>  3 <u>with TSI management, and I attended with Anthony</u>  4 <u>Tallerico, and I believe the date was February 9th.</u>  5 <u>I don't have my calendar with me, but it was a</u>  6 <u>Friday, a couple of weeks before the show.</u>  7 <u>And we -- they had invited us to come</u>  8 <u>down and see if we could clear the air with some</u>  9 <u>issues we had had on projects we worked on together</u>  10 <u>before the show.</u>  11 <u>And so we came down to this meeting</u>  12 <u>where Craig and his sister Janice and his brother</u>  13 <u>Thomas and their accountant Anthony Tallerico, my</u>  14 <u>employee and myself were all in a room, and we spent</u>  15 <u>a couple of hours talking. And it was during that</u>  16 <u>discussion where similar remarks were made.</u>  17 <u>Q. By whom?</u>  18 <u>A. By Craig.</u>  19 <u>Q. And I appreciate the fact you told me</u>  20 <u>they were similar remarks, but can you be more</u>  21 <u>specific about what Craig Swankosky said during that</u>  22 <u>meeting in Ventura, California?</u>  23 <u>A. In effect, that Corey has gotten himself</u>  24 <u>into some serious trouble and is -- basically he's</u>  25 <u>got -- he's in some big trouble. And unlikely -- I</u></p>

John Katnic

6 (Pages 21 to 24)

Page 21	Page 23
<p>1 <u>don't know if -- scratch unlikely.</u></p> <p>2 <u>He basically said he's got himself in</u></p> <p>3 <u>some big trouble, and you're not going to want to be</u></p> <p>4 <u>working with him, in effect. Again, stay away from</u></p> <p>5 <u>him, that he's in some trouble. That was the first</u></p> <p>6 <u>I'd --</u></p> <p>7 <u>Q. That was the first time you heard this</u></p> <p>8 <u>accusation about Corey from anyone?</u></p> <p>9 <u>A. Yes.</u></p> <p>10 <u>Q. So in the meeting in Ventura when Craig</u></p> <p>11 <u>Swankosky made this statement about Corey getting</u></p> <p>12 <u>himself into trouble, did he tell you what the</u></p> <p>13 <u>nature of the trouble was?</u></p> <p>14 <u>A. That's the part where I -- my memory</u></p> <p>15 <u>isn't perfect. It was either in that meeting or the</u></p> <p>16 <u>one in Vegas where he said that he had stolen some</u></p> <p>17 <u>things on his way out of the company.</u></p> <p>18 <u>And I don't recall which encounter it</u></p> <p>19 <u>was where that particular fact came up. But</u></p> <p>20 <u>basically that he had done some things wrong, and he</u></p> <p>21 <u>was being investigated, and he was -- and for us to</u></p> <p>22 <u>be careful about doing business with him, in effect.</u></p> <p>23 <u>Q. I just want to then kind of drill down</u></p> <p>24 <u>into a few details. I think you told me a few</u></p> <p>25 <u>moments ago that you recall there being an</u></p>	<p>1 <u>Q. What about Thomas Swankosky? Did he add</u></p> <p>2 <u>anything to the discussion about Corey Tharp when</u></p> <p>3 <u>you were in Ventura?</u></p> <p>4 <u>A. I don't believe so.</u></p> <p>5 <u>Q. Based upon what Craig Swankosky told you</u></p> <p>6 <u>at the meeting in Ventura, did you conduct any type</u></p> <p>7 <u>of an investigation to find out whether there was</u></p> <p>8 <u>any truth to those accusations?</u></p> <p>9 <u>A. Not at that time.</u></p> <p>10 <u>Q. As of February of 2013 when this</u></p> <p>11 <u>conversation occurred in Ventura, were you aware</u></p> <p>12 <u>that Mr. Tharp had gone to work for S&amp;S Electrical?</u></p> <p>13 <u>A. Yes.</u></p> <p>14 <u>Q. And were you aware that S&amp;S Electrical</u></p> <p>15 <u>was seeking approval from Synectics to provide</u></p> <p>16 <u>warranty service for Synectics' equipment?</u></p> <p>17 <u>A. Yes.</u></p> <p>18 <u>Q. And am I correct in my understanding</u></p> <p>19 <u>that without Synectics's approval, it's not possible</u></p> <p>20 <u>for a company like S&amp;S to service Synectics'</u></p> <p>21 <u>equipment?</u></p> <p>22 <u>A. That's correct, without voiding</u></p> <p>23 <u>warranty.</u></p> <p>24 <u>Q. And does S&amp;S now have an agreement with</u></p> <p>25 <u>Synectics to be Synectics' reseller?</u></p>
Page 22	Page 24
<p>1 <u>allegation by Craig Swankosky that Mr. Tharp had</u></p> <p>2 <u>engaged in a theft of equipment?</u></p> <p>3 <u>A. Yes.</u></p> <p>4 <u>Q. And did he say specifically that it was</u></p> <p>5 <u>theft of equipment from a TSI facility?</u></p> <p>6 <u>A. He did not say from a TSI facility, but</u></p> <p>7 <u>he indicated it was TSI property.</u></p> <p>8 <u>Q. And did he describe in any detail the</u></p> <p>9 <u>nature of the property which Mr. Tharp allegedly</u></p> <p>10 <u>stole?</u></p> <p>11 <u>A. I don't -- I don't believe so.</u></p> <p>12 <u>Q. At the meeting in Ventura when Craig</u></p> <p>13 <u>Swankosky made this statement or these statements,</u></p> <p>14 <u>did his sister Janice say anything about these</u></p> <p>15 <u>accusations?</u></p> <p>16 <u>A. I can't say for sure. There definitely</u></p> <p>17 <u>wasn't a refuting or -- I don't remember -- I mean,</u></p> <p>18 <u>Craig was doing most of the talking. She had</u></p> <p>19 <u>made -- never mind.</u></p> <p>20 <u>Q. Had Janice Eaton said anything about</u></p> <p>21 <u>Corey Tharp during that Ventura meeting?</u></p> <p>22 <u>A. She may have. I honestly don't recall.</u></p> <p>23 <u>I remember it clearly coming from Craig, but I don't</u></p> <p>24 <u>remember whether Janice added in or did not. I</u></p> <p>25 <u>don't recall.</u></p>	<p>1 <u>A. Yes.</u></p> <p>2 <u>Q. And can S&amp;S provide warranty service for</u></p> <p>3 <u>Synectics' products?</u></p> <p>4 <u>A. Yes.</u></p> <p>5 <u>Q. Is Synectics still doing business with</u></p> <p>6 <u>TSI?</u></p> <p>7 <u>A. We have officially terminated their</u></p> <p>8 <u>reseller agreement approximately 30 days ago. We</u></p> <p>9 <u>have some outstanding business to yet be resolved,</u></p> <p>10 <u>but we're not seeking any new business opportunities</u></p> <p>11 <u>together.</u></p> <p>12 <u>Q. Mr. Katnic, were there any other</u></p> <p>13 <u>occasions other than the February 9th meeting in</u></p> <p>14 <u>Ventura and the late February 2003 meeting during</u></p> <p>15 <u>the gaming conference -- any other occasions that</u></p> <p>16 <u>Craig Swankosky spoke with you about Corey Tharp?</u></p> <p>17 <u>A. No, not that I can recall.</u></p> <p>18 <u>Q. How about any of the other management</u></p> <p>19 <u>level employees at TSI, have any of them at any</u></p> <p>20 <u>point in time made any statements to you about Corey</u></p> <p>21 <u>Tharp?</u></p> <p>22 <u>A. Again, not -- not that come to mind.</u></p> <p>23 <u>Q. I suspect you recall talking to Holly</u></p> <p>24 <u>Lloyd, an attorney within my firm, approximately</u></p> <p>25 <u>three weeks ago. Is that correct?</u></p>

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Of Attorneys for Defendants

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF OREGON  
PORTLAND DIVISION

**TECHNICAL SECURITY INTEGRATION, INC.,**  
a Washington corporation,

Plaintiff,

v.

**S & S ELECTRICAL CONTRACTORS, LLC,** an  
Oregon limited liability company; and **COREY  
THARP,**

Defendants.

Case No. 3:13-cv-00636-MO

SATISFACTION OF JUDGMENT

WHEREAS, a judgment was entered in the above action on the 20<sup>th</sup> day of May, 2014, in favor of defendant Corey Tharp and against plaintiff Technical Security Integration, Inc. ("TSI") in the amount of \$50,000.00 plus interest from the 20<sup>th</sup> day of June, 2014, with costs to be taxed for defendant S & S Electrical Contractors, LLC against TSI, and costs in the amount of \$7,271.22, having been taxed on the 15<sup>th</sup> day of July, 2014, and said judgment with interest and costs thereon having been fully paid, and it is certified that there are no outstanding executions with any Sheriff or Marshall,

THEREFORE, full and complete satisfaction of said judgment is hereby acknowledged, and the Clerk of the Court is hereby authorized and directed to make an entry of the full and complete

satisfaction on the docket of said judgment.

DATED this 6<sup>th</sup> day of October, 2014.

LAW OFFICES OF JUDY SNYDER

/s/ Holly Lloyd

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